Suzuki Site

Financial Feasibility Report & Recommendations Bainbridge Island City Council Study Session: August 6, 2019

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About BRIDGE Housing

Mission

- Quantity, quality & affordability
- Diverse, equitable & inclusive
- Cultivate community partnerships

Track Record

- Business & community leadership
- 35 years of success
- 17,500 units developed
- No-profit no-loss
- Reinforce community values
- Sustainable design
- Best practice leaders and innovators

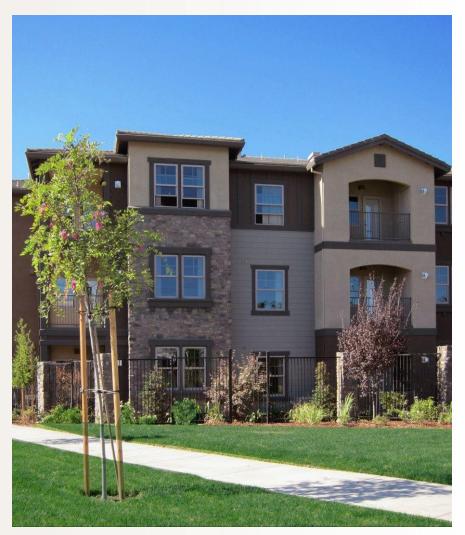


Residents at BRIDGE Housing apartments Source: BRIDGE Housing



BRIDGE Best Practices in Affordable Housing

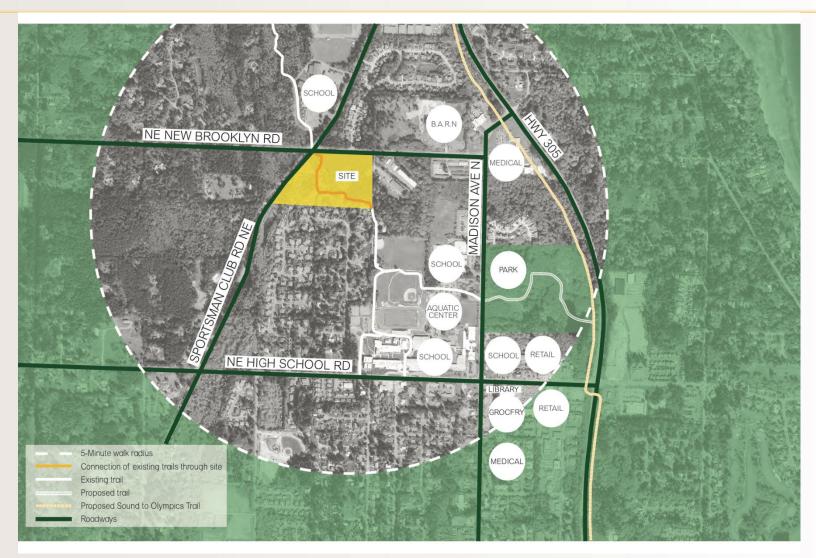
- Triple bottom line
- Provide meaningful public value
- Ensure environmental sustainability through best practices
- Resilient financial performance over the economic life cycle of the property



Foothill Farms Sacramento, California Source: BRIDGE Housing



Site Context





Project History

2015

- City issues Request for Proposals
- Receives 4 and moves forward with OPG

2016

 City hires Environmental Science Associates (ESA) to conduct an ecological assessment on the Suzuki property

2017

- ESA report
 - "Mature second growth forest"
 - Buffering the human-created pond
 - Creation of a 300' wildlife corridor
- Council requested OPG alter its plan based on ESA's recommendations, reducing the potential development area from 13.8 acres to +/-4 acres
- Council voted to make 100% of the housing affordable



Project History

2018

- OPG presented a revised site plan which was approved in concept by the City
- OPG:
 - Assembles project team
 - Commissions pre-design studies
 - Launches a website: www.suzukiaffordable.com
 - Conducts first public outreach meeting
- Council chooses to conduct a financial feasibility study and contracts with HRB who subcontracts with Bridge Housing
- OPG's contract work is put on hold

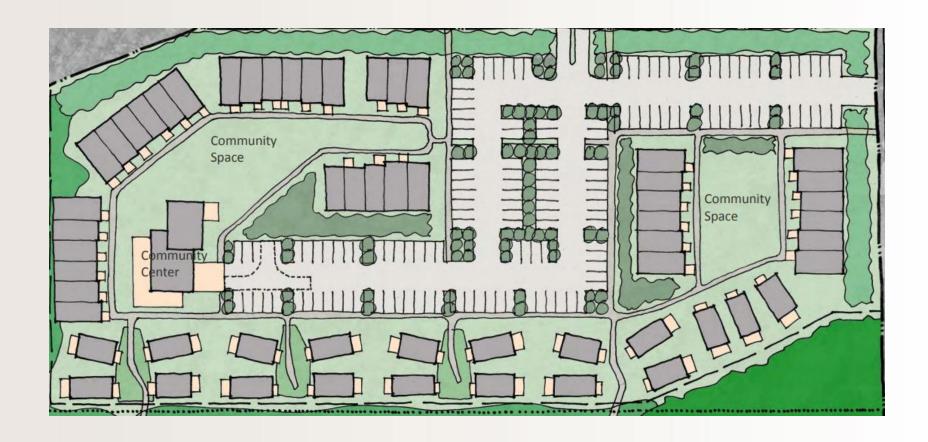


ARPA + Development Area





Option 4: OPG Study Option



Source: Davis Studio Architecture & Design



Housing Resources Bainbridge Scope of Work

- Include a diversity of housing choices
- Preserve mapped woodlands & wetlands
- 100% affordable and/or below market rate housing
- Leverage public benefits from the City's ownership of the land
- Provide actionable information to City



Ferncliff Village Phase II by HRB Source: Mike Seidl



Decisions for Consideration by City

- Key Decision #1: Land donation for public benefit
- Key Decision #2: Seek capital budget support from the State legislature
- Key Decision #3: Approve sufficient density on the site for a financially sustainable community
- Key Decision #4: Build for-sale units to crosssubsidize rentals creating a complete community

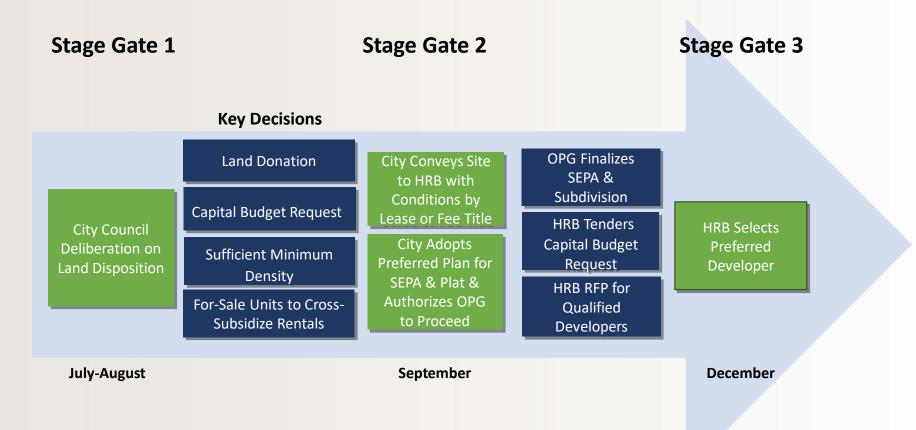


Key Decision #3 Detail: Sufficient Density for a Financially Sustainable Community

	Option 1	Option 2	Option 3	Option 4	Alternative
Rental	35	36	48	60	60
For-Sale	0	18	18	30	39
Manager	1	1	1	1	1
Total	36	55	67	91	100
City Fee Waivers	\$0.6M	\$0.6M	\$0.7M	\$0.8M	\$0.8M
County HOME/CDBG	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.0M
State Capital Budget	\$6.0M	\$3.4M	\$4.1M	\$2.6M	\$1.2M
Public Subsidies	\$7.6M	\$5.0M	\$5.8M	\$4.4M	\$3.0M
Public Subsidies Per Unit	\$217,000	\$93,000	\$88,000	\$49,000	\$31,000



City of Bainbridge Island Critical Path





Revised Option 4: 91 Dwellings



Source: Davis Studio Architecture & Design



Housing Resources Bainbridge Tasks

- Broaden the Income Spectrum of Households assisted by HRB from 120% to 150% of AMI
- Select a Master Developer Through a Request for Proposals
- Multitask Suzuki Site Oversight and Partnership with Madison Avenue Development
- Coordinate with and Between OPG and City
- Organize and Mobilize Support for State Capital Budget Appropriation
- Ensure Financial Transparency & Accountability



BRIDGE Recommendation: 100 Dwellings



Source: Davis Studio Architecture & Design



Building a Complete Community

Area Median Income	1 Person	2 Person	3 Person	4 Person	
50%	\$29,950	\$34,200	\$38,500	\$42,750	Barista
80%	\$47,920	\$54,720	\$61,600	\$68,400	Office Manager
120%	\$71,880	\$82,080	\$92,400	\$102,600	Police Officer
150%	\$89,850	\$102,600	\$115,500	\$128,250	Engineer

- Rentals for workforce (50-80% AMI): \$750-\$1,700/month
- For-sale for middle income (120-150% AMI): \$410,000-\$620,000



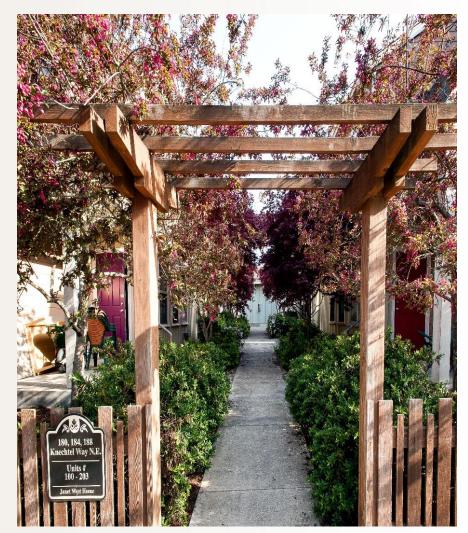
Comparison of 91 and 100 Unit Options

- 100 units reduces the State Capital Budget request from \$2.4 million to \$1.2 million
- 100 units optimizes the use of the site while preserving habitat & aquifer recharge areas
- 100 units broadens the moderate income portion of the income spectrum to 40% of the total community
- Both options are within City regulations for density, height, parking, setbacks & lot coverage
- City preferred option will become the basis for OPG environmental analysis to comply with SEPA



Cost of No Action

- SEPA compels OPG to study a "no action" alternative
- No action prolongs an impasse during a housing emergency
- No action misses a singular opportunity to address the demand for affordable housing-no other public sites exist
- No action now will make the cost of housing more expensive in the future, due to inflation



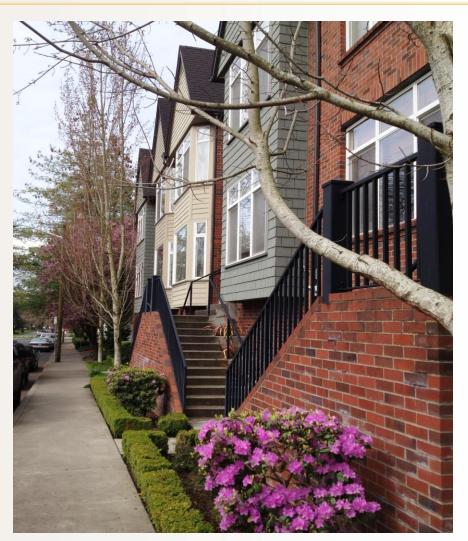
Janet West Rental Community by HRB Source: David Cohen



Thank You

"Housing is a means to an end....the end is to provide opportunities for people to stabilize their lives and achieve their dreams, whatever those are."

The late Lillian Murphy RSM & CEO of Mercy Housing



Anthem Park at Uptown Village Townhomes Source: Kurt Creager



APPENDIX



Issues Raised During RFP - Conservation

- Keep property as-is. Transfer ownership to the Bainbridge Island Parks and Recreation District to own and manage in a natural state
- Older tree stands should be protected
- Protection of a human-made pond and the habitat value it provides
- Assessment of impacts to groundwater and aquifer recharge areas
- Protection of the property's potential to serve as a wildlife corridor
- Protect critical habitats
- Evaluation of the property's aquifer recharge potential



Issues Raised During RFP - Development

- Provide a place to expand the Boys and Girls Club
- Provide affordable housing
- The City's fiduciary responsibility to judge any proposed use against the fair market value of the property
- Overall land conservation (higher density urban development versus more rural densities)
- Create a neighborhood with a high quality of life
- Traffic impacts
- Sewer line and plant capacity
- Low water pressure has been observed in surrounding neighborhoods
- General development impacts to the surrounding neighborhood
- Provide visual screen or buffer on New Brooklyn



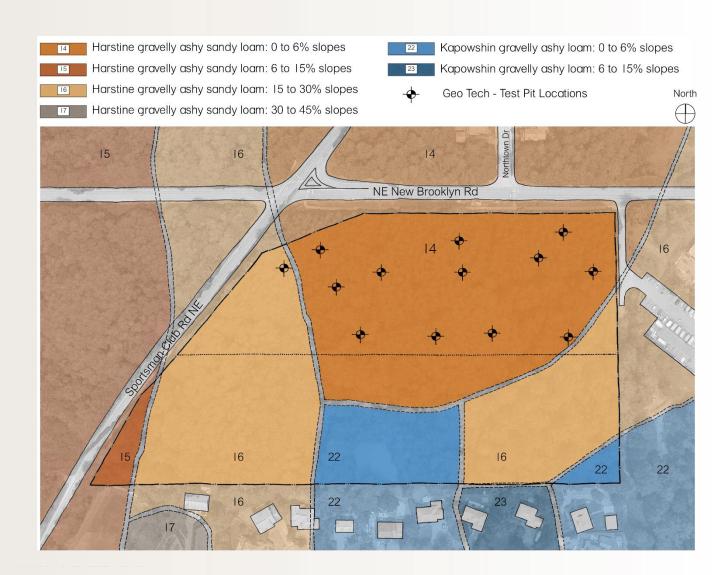






critical areas











topo and drainage





trees





ARPA + development area

